

## Message Text

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PAGE 01 MADRID 08216 020830Z

13  
ACTION EUR-12

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INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

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AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY STOCKHOLM

USMISSION NATO

USEC BRUSSELS

C O N F I D E N T I A L MADRID 8216

E. O. 11652: GDS

TAGS: PINT, SP

SUBJECT: VIEWS OF LOPEZ RODO

1. LAUREANO LOPEZ RODO, ONE TIME EMINENCE GRIS FOR THE LATE PRIVE MINISTER CARRERO BLANCO, LEADING OPUS DEI TECHNOCRAT, AND NOW ONE OF THE SEVEN FIGURES OF THE POPULAR ALLIANCE, LUNCED WITH ME FRIDAY, OCTOBER 29, 1976. LOPEZ RODO, ECHOING FRAGA AND SILVA MUNOZ (SPETEL) CONFIRMED THAT THE PRICIPAL ISSUE IN THE REFORM BILL AS FAR AS THE POPULAR ALLIANCE WAS CONCERNED REMAINED THEIR DESIRE TO SUBSTITUTE THE PRINCIPLE OF MAJORITY REPRESENTATION FOR THAT OF PROPORTIONAL REPRESENTATION IN THE LOWER HOUSE AS ENVISAGED IN THE SUAREZ REFORM PROGRAM. HE IMPLIED A WILLINGNESS TO COMPROMISE ON THE ISSUE.

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PAGE 02 MADRID 08216 020830Z

2. LOPEZ RODO, NO FRIEND OF SUAREZ' SAID SUAREZ WAS A MAGICAL INVENTION WITH NO HISTORY (WHICH WE NOTE HAS BEEN ONE OF SUAREZ' ADVANTAGES IN THE TRANSITION) AND NO BASE. HE EXPECTED SUAREZ TO TRY, FUTILELY HE THOUGHT, TO ORGANIZE A CENTER PARTY AROUND MARING VILLA AND ORTI BORDAS PLUS FERNANDO SUAREZ I.E. THE SOCIAL-MINDED LEFT OF FRANCOISM IN ITS LATTER DAYS). HE HAD A FEW DISDAINFUL WORDS TO SAY ABOUT MINISTER OSORIO, OF THE PRESIDENCY OSORIO, SUGGESTING THAT SUAREZ WOULD SOON FIRE HIM.

3. IN RESPECT OF THE REFORM BILL, HE THOUGH THE GOVT WOULD ACCEPT OTHER POPULAR ALLIANCE SUGGESTIONS, PARTICULARLY THAT HAVING TO DO WITH AN ELECTIVE COUNCIL OF THE REALM COMPOSED OF EIGHT MEMBERS FROM EACH OF THE HOUSES (PRESUMABLY CHAIRED BY THE PRESIDENT OF THE CORTES) WHICH WOULD CONTINUE THE PRACTICE OF NOMINATING A PANEL OF THREE FROM WHICH THE KING NOMINATED A PRIME MINISTER, BUT IN REPRESENTATION OF THE POLITICAL FORCES IN THE CORTES.

4. HE DESCRIBED IN FUNEREAL TERMS THE ECONOMIC PICTURE AND SAID IT COULD BERAIL THE POLITICAL PROCESS. WHILE THE PESETA HAD STOOD RELATIVELY FIRM, THE MONTH OF NOVEMBER WAS DANGEROUS WITH CONSIDERABLE SPECULATIVE PRESSURE QUITE LIKELY FORCING A DEVALUATION, AND WITH INFLATION ANGERING LABOR. LOPEZ RODO, RESPECTED FOR HIS ECONOMIC TALENTS EVEN THOUGH WIDELY DISLIKED IN POLITICAL CIRCLES, HOWEVER, OFFERED NO PRESCRIPTION FOR CORRECTING HIS GLOOMY PROGNOSIS, CONTENTING HIMSELF WITH CRITICIZING THE INEFFECTIVENESS OF GOS MEASURES.

5. NOT SURPRISINGLY HE CLAIMED THE CHANCES OF THE POLULAR ALLIANCE WERE QUITE GOOD IN THE FORTHCOMING ELECTIONS, ECHOING THE USUAL OPTIMISTIC PREDICTIONS OF OTHER MEMBERS OF THE SEVEN THAT THEY WOULD ACHIEVE A PLURALITY AND BE ABLE TO PUT TOGETHER A GOVERNING COALITION. INTERESTINGLY LOPEZ RODO DESCRIBED HIMSELF AND FRAGA AS THE CENTRISITS IN THE GROUP AND SINGLED OUT SILVA MUNOZ AND FERNANDEZ DE LA MORA AS RIGHTISTS.

6. COMMENT: THE ANALYSIS OF THE SEVERAL MEMBERS OF THE POPULAR ALLIANCE WITH WHOM WE HAVE TALKED IS PERSUASIVE IN CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MADRID 08216 020830Z

RESPECT OF THEIR ATTRIBUTING THE FORMATION OF THIS DISPARATE GROUP TO SHARED CONCERN ABOUT THE FRAGMENTATION OG CONSERVATIVE FORCES IN THE ELECTIONS. AND FRAGA'S FURTHER, MORE SUBTLE ANALYSIS OF THE NEED TO STIMULATE THE BUILDING OF COMPETING COHERENT POLITICAL FORMATIONS IS ALSO PERSUASIVE. BUT THE CONVERSTAIONS WITH LOPEZ RODO AND SILVA ADD A STRIKING ELEMENT OF "THE ENEMY OF MY ENEMY IS MY FRIEND" THAT COMPLETES THE PICTURE. LOPEZ RODO AND SILVA HAVE NO USE WHATSOEVER FOR SUAREZ AND OSORIO

RESPECTIVELY. WE HEAR, FOR INSTANCE, THAT LOPEZ RODO  
ORIGINALLY, UPON HIS RETURN AS AMBASSADOR FROM VIENNA, SOUGHT  
A MAJOR APPOINTMENT, LIKE THE BANK OF SPAIN, AND ONLY WHEN  
REBUFFED BY SUAREZ DID HE GO INTO THE POPULAR ALLIANCE. SILVA,  
ON THE OTHER HAND, TALKED WITH SUAREZ ON BEHALF OF THE ALLIANCE,  
BUT DOES NOT SPEAK TO OSORIO. THE SOMEWHAT DIFFERING POLITICAL  
PERSPECTIVES OF SUAREZ AND HIS FRIENDS ON ONE HAND AND OSORIO  
AND THE UDE MINISTERS ON THE OTHER OPEN A DOOR TO THE ALLIANCE  
TO ATTEMPT TO DRIVE A GREATER WEDGE BETWEEN THEM. LOPEZ RODO  
EVEN CLAIMED SUAREZ TOLD SILVA TO CONSIDER SUAREZ THE "EIGHTH  
MEMBER OF THE ALLIANCE". WE HAVE HEARD THAT OSORIO MIGHT  
STEP DOWN SOON TO TRY TO PUT TOGETHER A CHRISTIAN DEMOCRATIC  
FORMATION, BUT SURELY LOPEZ RODO WOULD PREFER TO TREAT AN  
OSORIO RESIGNATION AS A FIRING NO MATTER THE REASON.  
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